

WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES JANUARY 2003



Starting in February 2003, reported industry employment data will use a different classification system known as NAICS. Why is this important? The broad industry nomenclature will be similar to the older system (SIC) and there will be new industrial categories as well, but the sub-industries that make up these broader sectors will change. These changes will be so significant that one will not truly be able to compare data from the new system to the old. A major challenge presented, initially, will be that the NAICS system will only code the most current data and will not re-code estimates prior to 2003 to the new nomenclature for an undetermined amount of time. This will make historic analysis difficult. This new system will not affect any of the reported labor force data.

Unemployment Rates Climb Higher in December

The **Racine MSA** unemployment rate (not seasonally adjusted) stands at 7.2 percent in December 2002 and is the highest, not seasonally adjusted unemployment rate for December since 1986 registered 8.8 percent. December's rate is six-tenths of a point higher than the November rate and is nine-tenths of a point higher than for December 2001. The county's rate ranks 11th highest of the state's 72 counties in December.

In Racine, a typical December in the last decade showed an unemployment rate of 4.5 percent and it usually decreased a couple tenths of a point from November's rate. But this year's monthly change saw 630 more unemployed compared to 190 more employed, causing the sharp rate increase. December's annual perspective actually shows a labor force with more people employed than unemployed, but nonetheless, the annual jump is the highest since March of 2002.

Racine County industry employment was flat over the month, with no net additional jobs. The zero monthly growth was the net effect of a 200 job gain in services-oriented employment being cancelled out by a 200 job loss in the goods-producing sectors. A retail trade jump was no surprise for showing the largest employment gain in December given the holiday hiring, nor was the construction dip of 180 employees surprising as a decrease is usually fair game for December. In fact, construction decreases are usually a little sharper in December than this year, but as residential

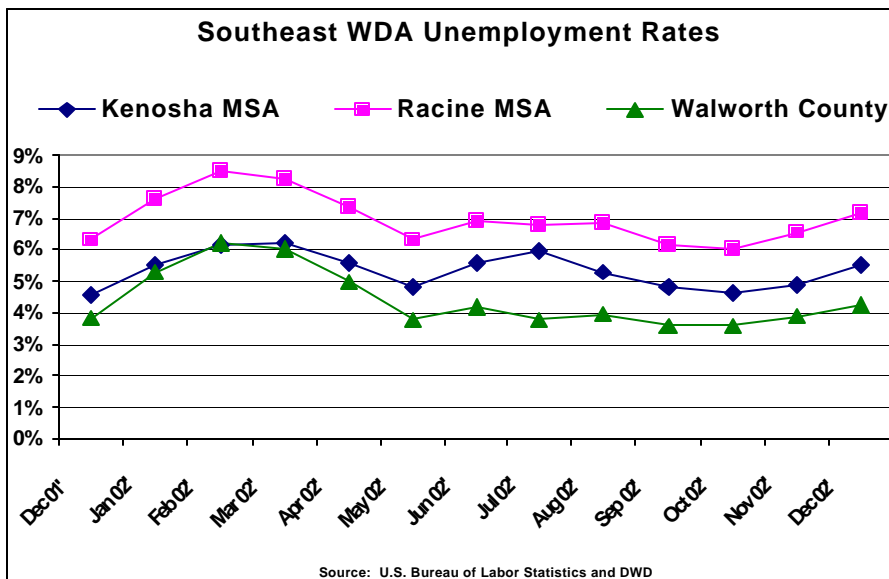
building projects maintain their hectic pace, it would not be surprising to see record employment in this industry in the next year. Annually, every industry in Racine County shows employment growth except for wholesale trade.

Walworth County's unemployment rate increased four-tenths of a percent point to 4.3 percent over the month.

The labor force data show 310 fewer people employed and 190 more unemployed. From 1990 to 2001, December's average rate has been 2.6 percent, which is the same as November's average showing there is usually little change over these two months. This is Walworth's highest unemployment rate since April 2002 and shows the largest

monthly increase since the January to February 2002 change. Annually, this month's rate is five-tenths of a point higher than last December.

Walworth industry data indicate 310 fewer jobs, total, since November. The 340 job loss in construction employment is in line with seasonal fluctuations, as is the retail trade decrease of 100 jobs, which surprisingly is very common even in the holiday season in this county. Services employment shows the largest employment gain of 160 jobs. The rest of the industry data show relative flatness in December showing little or no change. Annually, Walworth is a different story. Current and recently revised data show that Walworth County has been running an annual job deficit for the last three months with December 2002 running 300 jobs fewer than December 2001. Manufacturing shows the ma-



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jority of this loss (150 jobs) and government employment is lower (130 jobs) as well. FIRE has shown the largest proportional, annual loss or 6.4 percent of its employment. This deficit has been running for four months.

The **Kenosha MSA** unemployment rate (not seasonally adjusted) stands at 5.6 percent. The rate is up seven-tenths of a point from November and is up one full percent point from last December's rate. The labor force shows growth in the number of those employed but has shown much larger proportional growth in the number of unemployed. This is the highest December unemployment rate for the MSA since 1989 though it has certainly seen higher.

The monthly industry picture shows the first loss in employment since July, though a December decrease is certainly not

out of the realm of expectation. Virtually every industry shows a decrease in December. Much of this decline is seasonal given the manufacturing holiday break lowering employment. But the retail trade loss is a bit surprising in a month and area where people do considerable shopping. Perhaps the anticipated dismal holiday retail sales may have steered stores away from hiring as much seasonal help as they have in recent years. The industry picture from an annual perspective looks much rosier as 800 more jobs (1.5 percent growth) have been filled in the county since last December. This is the sixth straight month to show annual industry growth and is only the second month of the year to show a yearly increase in manufacturing employment. Wholesale trade, FIRE and TCPU showed annual loss, while the remaining industries posted gains. Services posted slight annual growth for the second straight month most likely indicating that personnel supply companies are hiring more robustly than they were a year ago.

December 2002	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA	City of Kenosha	City of Racine
Civilian Labor Force*	3,050,615	84,901	95,210	53,505	233,616	50,159	39,888
Persons Employed	2,899,977	80,181	88,379	51,212	219,772	46,885	35,323
Persons Unemployed	150,638	4,720	6,831	2,293	13,844	3,274	4,565
Unemployment Rate	4.9%	5.6%	7.2%	4.3%	5.9%	6.5%	11.4%
Total jobs of all non-farm industries**	2,856,008	56,056	82,445	41,157	179,658		
Goods Producing Jobs	687,740	14,353	25,553	11,000	50,906		
Service Producing Jobs	2,168,268	41,703	56,892	30,157	128,752		
Construction & Mining	122,876	3,072	3,942	1,922	8,936		
All Manufacturing	564,864	11,281	21,611	9,078	41,970		
Transportation, Communications & Public Utilities	132,219	2,115	2,521	1,680	6,316		
Wholesale Trade	135,755	2,368	3,021	1,468	6,857		
Retail Trade	521,582	11,541	14,874	7,739	34,154		
Finance, Insurance, and Real Estate	153,984	1,394	2,460	1,307	5,161		
Services	797,970	14,515	23,242	10,361	48,118		
All Government	426,758	9,770	10,774	7,602	28,146		
Change from November 2002							
Civilian Labor Force*	-5,480	-570	820	-120	130	-410	400
Persons Employed	-16,720	-1,110	190	-310	-1,240	-650	70
Persons Unemployed	11,230	540	630	190	1,360	240	320
Unemployment Rate	0.4%	0.7%	0.6%	0.4%	0.6%	0.5%	0.7%
Total jobs of all non-farm industries**	-14,010	-690	0	-310	-1,000		
Goods Producing Jobs	-10,980	-440	-210	-370	-1,010		
Service Producing Jobs	-3,030	-250	200	60	10		
Construction & Mining	-8,160	-110	-180	-340	-620		
All Manufacturing	-2,820	-320	-30	-30	-390		
Transportation, Communications & Public Utilities (TCPU)	220	-10	-50	0	-60		
Wholesale Trade	690	0	10	0	10		
Retail Trade	2,920	-60	210	-100	50		
Finance, Insurance, and Real Estate (FIRE)	130	20	40	-10	50		
Services	-20	50	20	160	230		
All Government	-6,970	-250	-20	-10	-280		
Change from December 2001							
Civilian Labor Force*	69,490	2,720	2,670	530	5,920	1,480	1,450
Persons Employed	50,900	1,770	1,670	260	3,690	1,030	670
Persons Unemployed	18,590	960	1,000	280	2,240	440	780
Unemployment Rate	0.5%	1.0%	0.9%	0.5%	0.8%	0.7%	1.6%
Total jobs of all non-farm industries**	20,020	800	700	-300	1,200		
Goods Producing Jobs	-6,940	350	510	-180	680		
Service Producing Jobs	26,960	450	190	-120	520		
Construction & Mining	3,100	220	240	-30	420		
All Manufacturing	-10,040	130	270	-150	250		
Transportation, Communications & Public Utilities (TCPU)	-1,820	-100	20	20	-60		
Wholesale Trade	-730	-150	-400	-30	-580		
Retail Trade	3,170	80	40	30	150		
Finance, Insurance, and Real Estate (FIRE)	2,790	-50	10	-90	-130		
Services	21,370	40	280	80	400		
All Government	2,180	640	240	-130	740		

* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Month and year ago change figures are rounded and may not sum to total

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